



Fiscal Sponsorship Fund Agreement

This document may be completed electronically using Adobe Acrobat® Reader..

Name(s) _____

Address _____

Street

City

State

Zip

Alternate Address:

Business

Seasonal

Street

City

State

Zip

Telephone _____

Work

Home

Cell

Email: _____ **Alternate email:** _____

1. I request that the Community Foundation of North Central Massachusetts be the Fiscal Sponsor of the project described below and establish a Fiscal Sponsor Fund, which must further the charitable purposes of the Foundation as stated in the Foundations Article of Organization, to be known as:

_____ Fund (*Name of Fund*).

The purpose of the fund is:

2. The investment objective requested is: (*Review our investment results carefully and check one of the following*)

Short Term Fund (Less than 3 years) – The primary investment objective of this Fund is stability of principal. This Fund is appropriate for non-endowed funds, or other situations where funds can be withdrawn with little or no advance notice, and/or situations where only minimal fluctuations to the principal can be tolerated. Agencies and donors with time horizons under three years should consider this strategy.

Medium Term Fund (3-5 Years) – The primary investment objective of this Fund is to provide payouts with moderate year to year volatility. This Fund may experience some reduction of purchasing power over time due to inflation. This Fund is appropriate for endowed funds that require minimal, or no, nominal growth (before inflation) after payouts, or non-endowed funds that have a time horizon that is between three and five years. This Fund will most likely experience moderate fluctuations to principal.

Long Term Fund (5+ Years) – The primary investment objective of this Fund is preservation of purchasing. Power to provide a relatively stable, inflation adjusted, annual payout to support grant-making or other donor missions. This Fund is appropriate for endowed funds or non-endowed funds with time horizons beyond five years. There will be some inevitable volatility in principal value from this strategy, but it may offer the potential for a sustainable payout plus inflation protection, understanding that this may result in a less stable payout from year to year.

Long Term Environmental, Social & Governance (ESG) Fund (5+ Years) – The primary investment objective of this Fund is preservation of purchasing. Power to provide a relatively stable, inflation adjusted, annual payout to support grant-making or other donor missions while considering environmental, social and governance criteria in selecting companies in the portfolio. This Fund is appropriate for endowed funds or non-endowed funds with time horizons beyond five years. There will be some inevitable volatility in principal value from this strategy, but it may offer the potential for a sustainable payout plus inflation protection, understanding that this may result in a less stable payout from year to year.

3. Note: *All distributions are subject to the variance power contained in Article II (1) of the Articles of Organization of the Foundation.*

4. The group hereby acknowledges that it has have been offered copies of and has reviewed the following documents.

a. The Foundation's Articles of Organization (Initial) **X**_____

b. The Foundation's By-Laws. (Initial) **X**_____

5. Administrative and Investment Fees will be assessed monthly on an annual basis as per the Foundation's Guidelines, which are subject to reasonable modification by the Board of Trustees. The Foundation will provide advance notice of any changes in the fees that are made by the Board of Trustees.

6. Distributions from the Fund may be made once it has reached \$10,000. Once the Fund has reached a balance of \$10,000, it needs to be maintained at all times. If for some reason the Fund is not funded with a total of at least \$10,000, the Foundation will meet with the Advisors of the Group to discuss dissolving the Fund and distributing the entire Fund for charitable purposes as described in Section 12 of this Agreement.

7. Funds are adjusted monthly to account for investment gains or losses and fees. A distribution request that closes a fund will be completed seven business days after the end of the month in which the distribution is requested

8. The Group hereby acknowledges that the Foundation will pay the administrative fees and investment management expenses associated with the Project's activities from the Fund in accordance with the Investment, Distribution and Fee Guidelines of the Foundation approved by the Board of the Foundation and as amended from time to time by the Board. (Initial) **X**_____

9. Contributions to the Fund are irrevocable. All contributions made to the Foundation become assets of the Foundation and are irrevocable. All gifts to the Foundation must further the Foundation's charitable purpose, as stated in its Articles of Organization, and mission. The Foundation reserves the right to review and approve or reject all contributions and grants to the Fund. (Initial) **X**_____

10. Duration of Agreement: This Agreement shall remain in effect until the earliest of the following:

- a). The Project receives a determination letter from the IRS of its qualification under Section 501(c)(3) of the Code
- b). Either the Project or the Foundation terminates this Agreement pursuant to the provisions of Section 11.

11. Termination: Either party may terminate this Agreement without cause by giving thirty (30) days' written notice to the other party. Terms of this agreement shall be reviewed annually by both parties for renewal.

12. Disposition of Sponsored Program Funds in Termination: If there are any funds in the Fund remaining after this Agreement has terminated, the following terms and conditions shall apply, subject to the Foundation's variance power set forth above at Section 3:

If the Group has received a determination letter from the IRS of its qualification under Section 501(c)(3) of the Code, the Foundation shall transfer the balance of all funds in the Fund, net of any liabilities incurred by the Foundation in connection with the Project, to the Group for use for the Project Purposes.

If the Group has entered into a written fiscal sponsorship agreement with another fiscal sponsor that has an IRS determination letter of qualification under Section 501(c)(3) of the Code, then the Foundation shall transfer the balance of any funds in the Fund, net of any liabilities that the Foundation has incurred in connection with the Project, to such new fiscal sponsor for use in the Project.

In the event that the Group has not received an IRS determination letter from the IRS of qualification under Section 501(c)(3) of the Code or entered into a written fiscal sponsorship agreement with another fiscal sponsor that has an IRS determination letter of qualification under Section 501(c)(3) of the Code, the Foundation may allocate the Fund in any manner consistent with applicable tax, charitable trust laws, and conditions of any grant agreements with funding sources and will consider recommendations from the Group.

13. Assignment: This Agreement may not be assigned by either party, in whole or in part, without the prior written consent of the other

14. Governing Law: This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the Commonwealth of Massachusetts without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Massachusetts or of any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the Commonwealth of Massachusetts.

15. Complete Agreement: This Agreement contains the entire agreement and understanding between the parties and supersedes, replaces and takes precedence over any prior understanding or oral or written agreement between the parties with respect to the subject matter of this Agreement. There are no representations, agreements, arrangements, nor understandings, oral or written, between the parties relating to the subject matter of this Agreement, which are not fully expressed herein.

16. Counterparts: This Agreement may be executed in two (2) signed counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same instrument. The delivery of signed counterparts by facsimile, electronic or email transmission, that includes a copy of the sending Party's signature, including electronic signature, is as effective as signing and delivering the counterpart in person.

17. Amendments. This agreement may be amended from time to time by a document in writing signed by the Foundation and by the donor(s) if they are living or the acting fund advisors.

Person(s) who will serve as the Advisors to the Project:

Name: _____

Email: _____

Name: _____

Email: _____

Persons who are authorized to request distributions from the Fund:

Name: _____

Email: _____

The Foundation will provide the Advisors with quarterly statements on the Fund's financial activity through an on-line portal. You can access your quarterly fund performance by going to our website at CFNCM.org and creating a username and password to view the Fund balance, donations to the Fund, and payments from the Fund.

REQUIREMENTS FOR FISCAL SPONSORSHIPS

Requirements for fiscally sponsored projects:

1. The Group agrees not to maintain a separate checking account due to the inability of the Foundation to have oversight of expenditures of the checking account.
2. The Group follows the requirements detailed below when requesting vendor payments, expense reimbursements or special event support.
3. All charitable solicitation and fundraising for the Project must be conducted on behalf of CFNCM and all events, activities, and materials (including website and social media) in connection therewith must be approved in advance by CFNCM.
4. CFNCM must be a party to all grants to or agreements or obligations made in connection with the Project and all such agreements or grant applications must be signed by an authorized representative of CFNCM.
5. No portion of the Fund shall be used in any attempt to influence legislation or to participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office, induce or encourage violations of law or public policy, cause private inurement or improper private benefit to occur, support terrorist activities, terrorist organizations or individuals who engage in or support terrorist activities, or take any other action inconsistent with qualification under Section 501(c)(3) of the Code (collectively, the "Prohibited Activities")

Requirements for payments to vendors:

All payments to vendors require the following:

1. The payment may only be made to further the charitable purposes of the Project and CFNCM.
2. An invoice showing the services the vendor is providing for the Project and a certification that no goods or services purchased carry out, support, or are in furtherance of Prohibited Activities
3. Written certification that the vendor is not a related party to the Group's Advisors, staff or volunteers.
Alternatively, if the vendor is a related party, written disclosure describing the relationship and certification that it is and arm's length transaction .
4. ST-2 and ST-5 forms should be provided to the vendor to avoid sales tax.
5. If the vendor is not a corporation all invoices must be accompanied by a completed W-9 before payment can be made. These service providers being paid over \$600 will receive a form 1099 at year end. The forms can be accessed on-line at: gov/pub/irs-pdf/fw9.pdf.

Requirements for expense reimbursement:

1. Reimbursements will only be made for incidental expenses under \$500. Anything over this amount needs to be paid directly to the vendor by the Foundation.
2. Written explanation of how the expense furthers the charitable purpose of the Project and CFNCM.
3. An invoice detailing the purchase made by the person or entity seeking reimbursement and a certification that no goods or services purchased for which reimbursement is sought carry out, support, furtherance of Prohibited Activities.
4. To avoid sales tax please submit invoices to be paid directly by the Foundation. *Sales tax will not be reimbursed.*
5. Reimbursement request need fund holder approval. Reimbursement requests by fund holders need the approval of a board member of the sponsored organization.

Requirements for special events:

1. Advanced notice of the event must be made to the Foundation for approval.
2. A description of the event and the charitable purpose that will benefit from the event.
3. A budget for the event indicating the estimated costs to be reimbursed.
4. Raffles and other qualified IRS gaming events are not permitted.

Signatures**For the Donor(s):**_____
Signature_____
Date_____
Signature_____
Date**For Community Foundation of
North Central Massachusetts:**_____
Stephen J. Adams / President_____
Date_____
Signature_____
Date